Including these, the total provision required on account of the situation created by the War would approximate Rs. 27·62 lakhs.

I shall now proceed to sketch in detail some of the important items that deserve notice in the budget estimates of 1119.

RECEIPTS

Compared with the revised estimate of receipts, *viz.*, Rs. 164·08 lakhs, of the current year, the budget estimate anticipates an increase of Rs. 19·09 lakhs. Of these, Miscellaneous accounts for Rs. 14·18 lakhs, Customs Rs. 5·51 lakhs and Abkari and Ganja Rs. 5·53 lakhs.

The largest increase occurs under Miscellaneous where, a receipt of Rs. 14·35 lakhs is anticipated by the sale of the Hill paddy produce. Again, the sum of Rs. 2 lakhs transferred from the Revenue Reserve Fund finds its credit under this head and this also contributes to the large increase therein.

On the basis of the actuals realised at the Port of Cochin for 1942—43 we have budgetted under Customs for Rs. 30 lakhs as against the revised estimate of Rs. 24·49 lakhs.

Based on the rentals fetched at auction sales the budget estimate under Abkari and Ganja has been fixed at Rs. 16·52 lakhs as against the revised estimate of Rs. 10·99 lakhs.

Due to the continuance of the demand for timber and the higher prices fetched the receipts under Forests and Tramway are still on the forward trend anticipating an increase of Rs. 1·70 lakhs over the revised estimate of Rs. 11·21 lakhs.

Against these substantial increases are also anticipated falls in revenue under cretain items the more important of which occur under Income-tax, Railway, and interest.

The operations of the Excess Profits Tax and the Super-tax are not expected to give us the same return as in the current year and hence we are cautiously budgetting for a return of Rs. 25 lakhs only under Income-tax in the coming year. On account of the increased traffic the Railway is expected to yield the larger return though not to the same extent as in the current year the budget estimate being fixed at Rs. 35 lakhs *i.e.*, Rs. 1·57 lakhs less than the revised estimate. Again, the withdrawals of fixed deposits and the amounts in the current account necessitated for financing the purchase of food grains, etc., will reduce the return under interest by Rs. 0·72 lakh as compared with the revised estimate of Rs. 3·35 lakhs.

DISBURSEMENTS

As already explained by me before, the demands of the several departments have been carefully scrutinised by the Government and generally only provisions tending towards the amelioration of the people have been retained. Thus the usual contribution of Rs. 2 lakhs from Revenue Reserve Fund for purposes of rural development is proposed to be continued in the coming year; increased allotments have been provided under Public Works, Education, Medical, Ayurveda, etc.

The total thus provided in the budget estimate for the next year is Rs. 166·88 lakhs which exceeds the revised estimate of the current year by Rs. 16·46 lakhs.

I shall now pass on to deal with some of the important items which may require observation.

Development and Nation-building services

Agriculture.—The State is essentially rural; it is a land of agriculturists and yet there is insufficiency of food in our country. We have to make ourselves self-sufficient so far as food is concerned and attempts in this direction are seen reflected in the budget before you. An area of more than 11,000 acres have been newly brought under cultivation on the lease system. The Agricultural Inspectors continue their special activities connected with the food production drive. The manure depots attached to Panchayats are proposed to be continued with a larger allotment of Rs. 1·35 lakhs under "Advance for purchase of manure and implements" to ryots. The "Grow More Food" campaign will be carried on with greater intensity and larger provisions for irrigation facilities both under Public Works Department and the Panchayats and for protective works under the former have been made. Tobacco cultivation is proposed to be begun with the help of the inspector sent to study tobacco farming elsewhere. Demonstration in ryots' lands is continued. A dairy section has been organised in the Central Farm on up-to-date lines for which the required provision is made. A scheme of extending veterinary services to each Panchayat area is under consideration and a beginning is made for training Stock-men Compounders in Veterinary Hospitals.

Co-operation.—The efficient organisation of Co-operative Societies in villages plays an important part in rural economy as it helps the ryot and rural worker to stand on his own legs. A committee is now enquiring into the working of the department and to suggest methods of

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Also for purposes of facility of comparison with the corresponding figures of las year the changes effected in classification of certain items of receipts and expenditure for reasons of administrative convenience are given in the form of an appendix to this Memorandum.

ACCOUNTS OF 1117

The total revenue and expenditure in the closed accounts of the year 1117 as compared with the budget and revised estimates of that year stood as follows.—

(In lakhs of rupees)

Particulars	Budget estimate 1117 Rs.	Revised estimate 1117 Rs.	Actuals 1117 Rs.
Total Revenue ..	113·48	127·56	132·75
Total Expenditure ..	108·97	119·58	129·00
Surplus+or deficit— ..	+4·51	+7·98	+3·75

At the time of the preparation of the budget, the revenue transactions of the year 1117 were expected to result in a surplus of Rs. 4·51 lakhs, the revenue and expenditure anticipated having been Rs. 113·48 lakhs and Rs. 108·97 lakhs respectively. According to the revised estimates, it was anticipated that there would be an increase in revenue of Rs. 14·08 lakhs and the expenditure was expected to record a rise of Rs. 10·61 lakhs thus resulting in a surplus of Rs. 7·98 lakhs. The actual transactions of the year, however, resulted in a surplus of Rs. 18·75 lakhs of which Rs. 15·00 lakhs has been transferre d to the Revenue Reserve Fund.

RECEIPTS

Compared with the budget, the revenue receipts of the year showed an increase of Rs. 19·27 lakhs. The increase was a result of excess revenue of Rs. 19·80 lakhs collected under certain heads of revenue partly counterbalanced by a decline of Rs. 0·53 lakh of rupees under certain other heads. The more important variations in the actuals as compared with the budget estimates are detailed in the subjoined table.—

(Receipts in lakhs of rupees)

Heads	Budget estimate 1117 Rs.	Actuals 1117 Rs.	Increase Rs.	Decrease Rs.	Reasons
Land Revenue	12·63	12·83	·20	..	Due to increased collection of arrears of previous years
Salt	4·98	5·57	·59	..	Due mainly to larger consumption of Salt
Stamps	4·91	5·03	·12	..	Due mainly to larger sale of general stamp papers
Customs	25·00	25·16	·16	..	Actual receipt in the State's share of the Customs Collection of 1941—42
Abkari and Ganja	9·28	10·17	·89	..	Increased collection under arrears of previous year and also due to larger amounts realised under duty on liquor issued from Distillery & tapping for formented toddy
Matches	1·40	1·17	..	·23	Due to low out-put in Match factories and consequent reduced sale of banderols
Forest and Tramway	6·54	9·66	3·12	..	Due to larger volume of timber extracted for war supplies and also due to the collection and sale of trees up-rooted by the Cyclone
Registration	1·13	1·36	·23	..	Due to all-round increased money transactions of the people
Interest	2·80	3·05	·25	..	Due to larger investments in Banks and in foreign Government Securities
Anchal	1·34	1·46	·12	..	Due to increased sale of Anchal and Service Stamps
Education	3·86	4·02	·17	..	Mainly under fee collections due to larger number of students
Public Works	3·39	3·83	·44	..	Mainly under Water Works receipts
Railway	20·00	23·83	3·83	..	Due to increased traffic
Income-tax	6·50	14·56	8·06	..	Due to revised rates of taxation and introduction of excess profit tax
Miscellaneous	1·30	2·76	1·46	..	Mainly due to the appropriation of a lakh of rupees from the Revenue Reserve Fund for payment to H.M.I.S., Cochin

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